



First Informational Forum on the Implementation of Chapter 224:

Improving the Quality of Health Care and
Reducing Cost Growth

October 10, 2012



Forum Agenda

- Welcoming Remarks
- Overview of Chapter 224
- Roles and Responsibilities of Implementing Agencies
- Next Steps
- Discussion
- Closing Remarks



Welcoming Remarks

Secretary Jay Gonzalez, Executive
Office of Administration and Finance

Secretary JudyAnn Bigby, Executive
Office of Health and Human Services



Overview of Chapter 224

Chapter 224 of the Acts of 2012, an Act Improving the Quality of Health Care and Reducing Costs Through Increased Transparency, Efficiency and Innovation, was signed into law on August 4, 2012 by Governor Patrick and is set to become effective on November 5, 2012.





Overview of Chapter 224

Chapter 224 represents an historic step forward that builds on many years of public engagement with the problem of rising health care costs.

Ch. 305 passed, e-Health Institute created

2008

Roadmap to Cost Containment developed by Quality and Cost Council

2009

Ch. 288 passed, Cost trends report and hearings begin

2010

Governor introduces cost containment bill

2011

Chapter 224 signed into law

2012



Overview of Chapter 224

Key Provisions of the Law

- Sets a health care cost growth target;
- Promotes payment and delivery system reform by both public and private payers;
- Promotes prevention and wellness, including the expanded adoption of workplace wellness programs;
- Implements sensible malpractice reforms ;
- Increases scrutiny of health care market power and price variation;
- Continues review of health insurance rates;
- Supports expansion of the primary care workforce;



Overview of Chapter 224

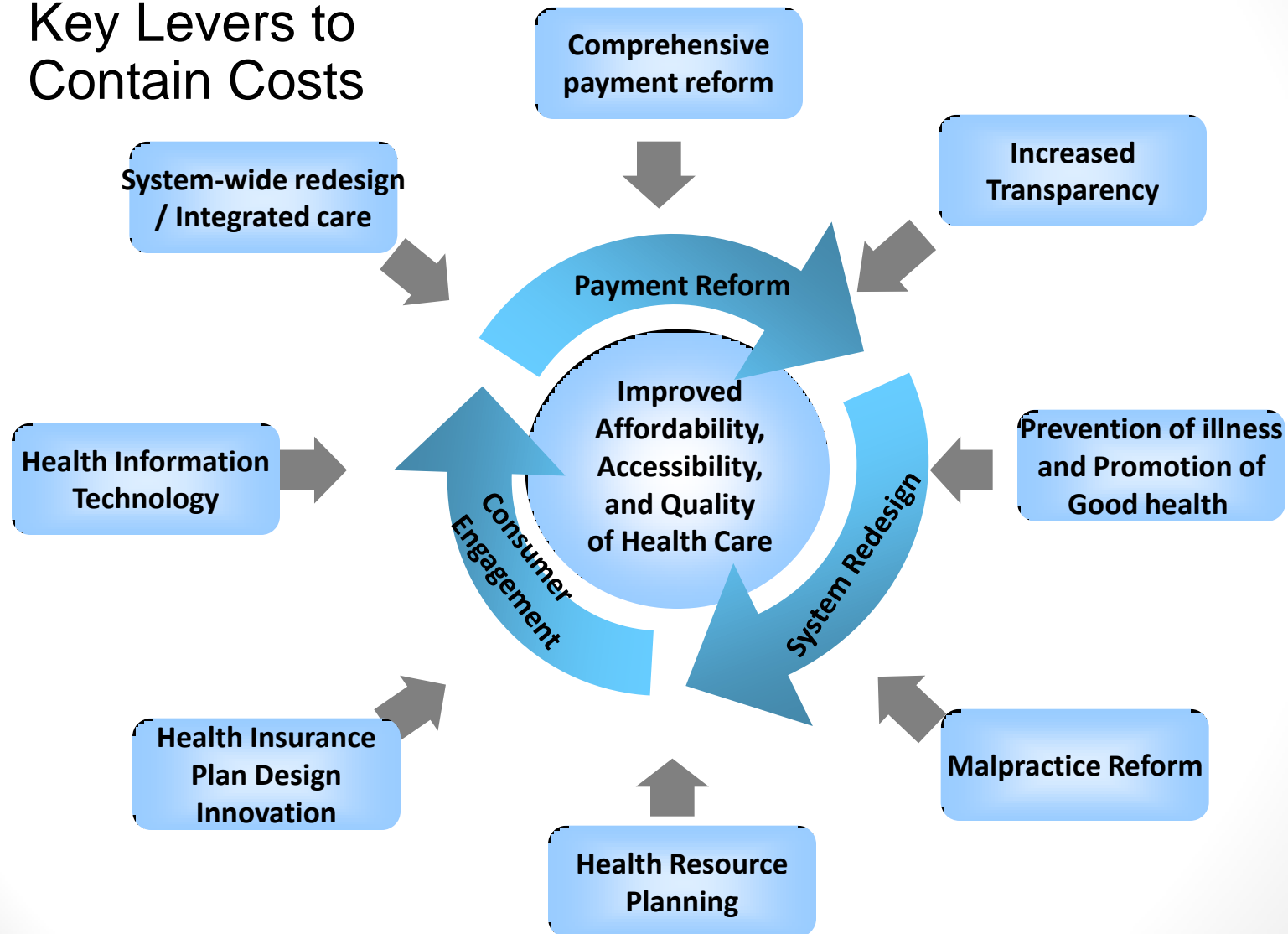
Key Provisions of the Law, continued

- Supports the expansion of electronic health records and the state health information exchange;
- Provides key resources for workforce development and training programs;
- Provides consumers and employers with quality and cost data to inform decision-making;
- Promotes behavioral health care and integration;
- Seeks to accelerate administrative simplification efforts;
- Supports community hospitals to serve populations more efficiently and effectively;
- Restructures government agencies and functions.



Overview of Chapter 224

Key Levers to Contain Costs





Overview of Chapter 224

Restructured Oversight Entities

- The current Division of Health Care Finance and Policy will be succeeded by the Center for Health Information and Analysis.
- The Center is an independent state agency and will assume most of the responsibilities of the DHCFP, including compiling the state's annual cost trends reports, managing the all-payer claims database, and performing health data analysis for the Commonwealth.
- The current Health Care Quality and Cost Council will be succeeded by the Health Policy Commission.
- The Health Policy Commission is a state agency within, but not under the control of, the Executive Office of Administration and Finance.
- The Health Policy Commission is governed by an 11-person board and is the leading policy-making entity charged with implementing many aspects of chapter 224.



Overview of Chapter 224

Payment and Delivery System Reform

- Alternative payments have the potential to provide incentives for efficiency in the delivery of services that are absent in the fee-for-service system, while potentially promoting improvements in quality through better coordination of care.
- The Health Policy Commission will establish standards for certification of accountable care organizations (ACOs) and Patient Centered Medical Homes (PCMHs).
- Division of Insurance will certify risk bearing provider organizations.
- The Health Policy Commission will designate “Model ACOs” that may receive priority in state contracting.
- State-funded programs, such as MassHealth, the GIC, and the Health Connector, are required to move to alternative payment methods.



Overview of Chapter 224

Commissions and Task Forces

- Health Care Workforce Trust Fund Advisory Board
- Prevention and Wellness Advisory Board
- Commission to Review Public Payer Reimbursement Rates
- Commission on Graduate Medical Education in Massachusetts
- Commission to Review Variation in Prices Among Providers
- Commission on Pharmaceutical Cost Containment
- Task Force Related to the Practice of Defensive Medicine and Medical Overutilization
- Task Force Related to the Accuracy of Medical Diagnosis in the Commonwealth
- Task Force Related to Behavioral, Substance Use Disorder, and Mental Health Treatment and Reimbursement



Overview of Chapter 224

Potential Savings

- If successful, chapter 224 has the potential of reducing the trend for health care cost growth and saving billions of dollars over the next 10- 20 years.
- These savings will accrue to health care consumers, businesses both small and large, and state and local governments.



Roles and Responsibilities of Implementing Agencies



Roles and Responsibilities of Implementing Agencies

Executive Office of Administration and Finance

- Health Policy Commission
- Group Insurance Commission
- Wellness Tax Credit
- Budget Development



Roles and Responsibilities of Implementing Agencies

Executive Office of Health and Human Services

- Payment and Delivery System Reform
- Prevention and Wellness
- Health Resource Planning
- Expansion of eHRs and the State Health Information Exchange
- Expansion of Primary Care Workforce
- Behavioral Health Task Force

Center for Health Information and Analysis



Roles and Responsibilities of Implementing Agencies

Executive Office of Housing and Economic Development

- Continued Review of Health Insurance Plans and Premiums
- Certification of Risk-Bearing Provider Organizations
- Consumer Engagement and Transparency
- Mental Health Parity
- Oversight of Tiered and Limited Network Products



Roles and Responsibilities of Implementing Agencies

Executive Office of Labor and Workforce Development

- Investments in health care workforce development and training programs
- Changes to the Fair Share Assessment



Roles and Responsibilities of Implementing Agencies

Commonwealth Health Insurance Connector Authority

- Assumption of some functions from the Division of Health Care Finance and Policy



Next Steps



Next Steps

- This Forum represents the first in a series of events to engage all interested parties on the on-going work of chapter 224.
- Successful implementation will require the collaboration of government, payers, providers, businesses and consumers.
- The state launched an implementation website dedicated to keeping stakeholders informed on the latest news and events.
- In addition, there is a dedicated e-mail account that you can use to let us know your thoughts/concerns/questions.
- We look forward to working with all of our partners in this next phase of health reform.



Next Steps

www.mass.gov/governor/healthcarecostcontainment

Chapter224Inquire@state.ma.us

Mass.gov | [State Agencies](#) | [State A-Z Topics](#) | [State Forms](#) | [Skip to main content](#) | [Need help resizing text?](#)



The official website of the Governor of Massachusetts

Governor
Deval Patrick

in Governor's Office

[The Administration](#) | [Constituent Services](#) | [Press Office](#) | [Leading the Way on Our Agenda](#) | [Legislation & Executive Orders](#) | [Get Involved](#)

[Home](#) > [Leading the Way on Our Agenda](#) > [Cracking the Code on Health Care Costs](#) > [Implementing Health Care Cost Containment](#) >

Implementing Health Care Cost Containment

[Grants & Demonstrations](#)

[Stakeholder Meetings](#)

[Publications](#)

[Boards, Commissions & Task Forces](#)



Governor Deval Patrick, joined by Secretary Jay Gonzalez, Secretary Judy Ann Bigby, Rep. Steven Walsh, Rep. Ronald Mariano, Attorney General Martha Coakley, Speaker of the House Robert DeLeo, signs the health care cost containment bill in Nurses' Hall. (Photo Credit: Eric Haynes / Governor's Office)

On August 6, 2012 Governor Patrick launched the next phase of health care reform, signing legislation that builds on the Commonwealth's nation-leading access to care through landmark measures that will lower costs and make quality, affordable care a reality for all Massachusetts residents. [Chapter 224 of the Acts of 2012](#), set to become effective on November 5, 2012, is projected to result in savings of nearly \$200 billion over 15 years - savings that will be passed along to government, businesses and families. That is why "cracking the code" on health care costs is essential for the long-term economic competitiveness of Massachusetts and why the successful implementation of this law is a top priority for the Patrick-Murray Administration.

Press Releases
[Governor Signs "Next Big Step" in Health Care Reform](#)

Legislative Bill Summary 

Contact Information
Office of the Governor
Room 360, State House
Boston, MA 02133
Phone: 617-725-4000

Important Links
[Office of the Attorney General](#)
[Executive Office of Administration & Finance](#)
[Commonwealth Health Insurance Connector Authority](#)
[Division of Health Care Finance & Policy](#)
[Division of Insurance](#)
[Executive Office of Housing & Economic Development](#)



Discussion



Closing Remarks